



Federal Housing Finance Agency

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FINAL SUSPENSION ORDER

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. 4513b(b)(2)(B)(iii).
2. Section 1319G of the Safety and Soundness Act authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. 4526(a).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA has determined that any business relationship between Scott Cameron Sherman and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. Scott Cameron Sherman owned, operated and controlled Artisan Operating, L.P., a home building company.
2. Scott Cameron Sherman, along with others, permitted co-conspirators to overstate the amount of the actual purchase price for which builders were required to purchase properties on the relevant loan documents.
3. Scott Cameron Sherman, along with co-conspirators, assisted in the preparation of fraudulent HUD-1s that reflected false purchase prices, disbursements, and that buyers had provided down payment funds.
4. Scott Cameron Sherman, along with co-conspirators, caused fraudulent loan applications, HUD-1s, and other loan documents to be submitted to lending institutions.

5. On November 13, 2014, Scott Cameron Sherman was sentenced in the United States District Court for the Eastern District of Texas, Sherman Division, to 20 months imprisonment and one year supervised release for Conspiracy to Commit Wire Fraud.
6. On March 18, 2016, the United States Court of Appeals for the Fifth Circuit affirmed the judgment by the District Court.
7. As described in the Indictment filed in the United States District Court for the Eastern District of Texas, Sherman Division, on April 11, 2013 the conduct underlying the conviction described above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Scott Cameron Sherman for five (5) years, beginning on February 16, 2018. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Scott Cameron Sherman.

The Final Order's requirement for regulated entities to cease any business relationship with Scott Cameron Sherman does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity, if Scott Cameron Sherman is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order is a final action of the Federal Housing Finance Agency.



Suspending Official

12-10-2017
Date